GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:6787
ANSWERED ON:09.05.2003
IFCI DEFAULTERS
SUBODH MOHITE

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Debt Recovery Tribunals has allowed Industrial Finance Corporation ofIndia to attach the office of State co-operative and textile secretary for the Government of Maharashtra for default of rupees over fifty crore; and

(b) if so, the details thereof; and

(c) if not, the reasons for initiating such action against Maharashtra Government?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

(a) to (c) Financial Institutions (IFCI, IDBI and ICICI), filed a joint recovery applicationbefore Mumbai Debts Recovery Tribunal on 12th September, 2000 for recovery of dues, against one sugar co-operative (Shindkheda Taluka SSK Limited) and the State Government of Maharashtra (Guarantor). DRT issued recovery certificate in September 2001 for a total amount of Rs. 50.68crores along with interest at 20% p.a. till the date of payment plus costs. Recovery Officerpassed an Order on the 6th January, 2003 for attachment of the Office of Secretary, Co- operative & Textile Department, Government of Maharashtra, Mantralaya, and also issued show- cause notice to the State Government as to why the treasury and its account with RBI shouldnot be attached. The appeal filed by the Government of Maharashtra before Debts RecoveryAppellate Tribunal was first heard on 17.1.2003 and the DRAT directed the State Government to deposit 75% of the decreetal amount and fixed the case for 17.3.2003 for final bearing. The State Government, however, filed a Writ Petition in Mumbai High Court and at the timeof admission of Writ Petition, allowed the State Government to deposit Rs. 10 crores within seven days and stayed further recovery proceedings. The State Government deposited Rs. 10crores and the Writ Petition is now fixed for hearing 11.6.2003.